

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

**UNITED STATES SECURITIES
and EXCHANGE COMMISSION,**

Plaintiff,

V.

**NORTEL NETWORKS CORPORATION and
NORTEL NETWORKS LIMITED,**

Defendant.

**UNITED STATES SECURITIES
and EXCHANGE COMMISSION,**

Plaintiff,

V.

FRANK A. DUNN, et al.,

Defendant.

THE DISTRIBUTION AGENT'S EIGHTEENTH PROGRESS REPORT

Garden City Group, LLC (“GCG”), the Court-appointed Distribution Agent¹ in the above-captioned matter, respectfully submits this Eighteenth Progress Report, pursuant to the Distribution Plan (the “Plan”) approved by this Court on October 6, 2011. This Court’s

¹ All capitalized terms not otherwise defined in this document shall have the meanings provided in the Distribution Plan.

November 3, 2009 Order authorized the creation of a Fair Fund and appointed GCG as the Distribution Agent to implement the distribution of the Fair Fund. Pursuant to section 8.2 of the Plan, the Distribution Agent was required to submit a progress report within 45 days of entry of the Plan, and file additional reports 20 days after the end of every quarter thereafter. This Eighteenth Progress Report covers the period from October 1, 2015 through December 31, 2015.

**Tasks Performed by the Distribution Agent
Since the Seventeenth Progress Report**

Since the Seventeenth Progress Report, GCG has performed the following tasks in connection with the implementation of the Court-approved Distribution Plan:

- On December 1, 2015, at the request of the Commission, GCG sent via email the invoice for the initial distribution administration, and the pricing proposal to conduct the second distribution;
- GCG continues to monitor a case-specific website for this administration (www.nortelsecsettlement.com), and as of December 31, 2015, there were 245,463 unique visitors to the website;
- GCG continues to host and monitor the telephone helpline with an Interactive Voice Response platform, pursuant to section 3.16(g) of the Plan. As of December 31, 2015, GCG received 108,847 calls to the hotline and, of these, 4,848 people requested a return phone call, which requests were promptly handled; and
- GCG continues to monitor the settlement email box for this matter (questions@nortelsecsettlement.com). As of December 31, 2015, GCG received and responded to 7,758 email inquiries.

Anticipated Next Steps

Following this Eighteenth Progress Report, GCG will carry out the terms of the Plan, including:

- Work with the SEC in determining next steps as appropriate based on the remaining balance of the Fund and either redistribute the balance or return any remaining funds to the Commission for transfer to the United States Treasury, per the instructions of the SEC; and
- Pursuant to section 8.2 of the Plan, GCG will file the next progress report within 20 days after the end of the next quarter.

**Location of Fair Fund and Disbursements
from the Fair Fund During the Quarterly Period**

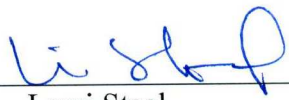
The proceeds of the Fair Fund in this matter are currently in an escrow account at Signature Bank and are invested in short-term United States Treasury securities.

As of December 31, 2015, the balance of the Fair Fund was \$3,179,949.44. This amount is primarily comprised of checks that remain uncashed or undeliverable, as well as funds that were returned by claimants.


Pursuant to section 8.2 of the Distribution Plan, an interim accounting of all monies in the Fair Fund will be filed with the Court shortly.

Dated: January 20, 2016

Respectfully submitted,

By: 

Lorri Staal
Garden City Group, LLC
Distribution Agent
1985 Marcus Ave.
Lake Success, NY 11042
Phone: 631-470-6838
Fax: 631-940-6555

Section	Line	QUARTERLY CASH REPORT for Nortel SEC Fair Fund			
A	1	DISTRIBUTION FUND			
	2	SEC Action Number: Case No. 07-cv-2058 (LAP)			
	3	Period Covered in this Report:			
	4	From 10/01/15			
		To 12/31/15			
B		Bank Account Balance(s) Beginning of Quarter		\$	3,730,417.96
C		Funds Received			
	1	From SEC or Court	\$	-	
	2	Interests Earned	\$	83.63	
	3	Returned Funds	\$	189.57	
	4	Other - describe		-	
		Subtotal Funds Received		\$	273.20
D		Disbursements			
*	1	Payments to Claimant during this Quarter	\$	(550,741.72)	
		Payments to Other than Claimants/Investors:			
	2	Distribution Agent Fees		-	
	3	Distribution Agent Expenses		-	
	4	Tax Administrator Fees and Expenses		-	
	5	Other - describe		-	
		Subtotal Disbursements		\$	(550,741.72)
E		Bank Account Balance(s) End of Quarter		<u>\$</u>	<u>3,179,949.44</u>
F	1	End of Quarter Balance(s) by Account			-
		Signature Bank Account ending - 9396	\$	3,179,949.44	
	2	Total Bank Account Balance(s)	\$	<u>3,179,949.44</u>	
	3	Less Outstanding Checks	\$	(2,466,930.67)	
**	4	Available Funds - End of Quarter	\$	<u>713,018.77</u>	
G		Fund Information Footnote: Tranches from Inception			
		<u>Distribution Date</u>	<u># of Distribution Payments Issued</u>	<u>Total Issued</u>	
		June 11, 2015	117,079	\$	31,332,506.63
H		Prepared by:			
	1	Garden City Group, LLC			
		(Distribution Agent)			
	2			Lorri Staal	
		(signature)		(printed name)	
	3	Senior Director, Operations		January 20, 2016	
		(title)		(date)	

* These are either initial distribution checks that were cashed, or uncashed/undeliverable checks that were reissued.

** The remaining funds consist of returned funds, interest earned, and the unused portion of the reserve for tax fees and expenses, and GCG's estimate to complete the initial distribution.